



AGENDA MEMORANDUM

Future Item for the City Council Meeting of June 23, 2015
Action Item for the City Council Meeting of July 14, 2015

DATE: June 10, 2015

TO: Ronald L. Olson, City Manager

FROM: Carlos Gonzalez, Director of Facilities
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Authorization for Certificates of Obligation for Facility Improvements

CAPTION:

Resolution by the City Council of the City of Corpus Christi, Texas, authorizing and approving publication of Notice of Intention to issue Certificates of Obligation; complying with the requirements contained in Securities and Exchange Commission Rule 15c2-12; and providing an effective date.

PURPOSE:

The City plans to issue up to \$2,000,000 in Combination Tax and Limited Pledge Revenue Certificates of Obligation for the purpose of paying contractual obligations relating to making permanent public improvements to City facilities and to the paying of professional services related to the design, construction, project management, and financing of the projects.

BACKGROUND AND FINDINGS:

The City's Facilities Department has developed a 10-year plan for making capital improvements to City facilities. Fiscal Year (FY) 2015 is the first year of the plan, and the initial investment is programmed to be \$2 million a year for ten years. The FY15 adopted Capital Improvement Budget and Planning Guide includes Comprehensive Facilities Improvements in the amount of \$2,000,000.

The following projects have been identified for the first year of funding:

La Retama Central Library Roof Replacement	\$761,678
Lindale Senior Center Roof & HVAC Replacement & Improvements	527,000
City Hall – Skylight Replacement	485,000
Contingency	<u>226,322</u>
TOTAL	<u>\$2,000,000</u>

Estimated annual debt service for the certificates of obligation is projected to be approximately \$135,000. This payment will be made from property taxes - without requiring a tax rate increase.

State law requires that a notice of intention be published when certificates of obligation are to be sold. The notice must be published once a week for 2 consecutive weeks in a newspaper, with the date of the first publication to be before the 30th day of the date tentatively set for the passage of the ordinance authorizing the issuance of the certificates. The ordinance authorizing the issuance of the certificates is tentatively scheduled as a first reading on August 18, 2015 with a second and final reading on August 25, 2015, and so we will need to advertise in the Corpus Christi Caller-Times by Sunday, July 19, 2015.

ALTERNATIVES: n/a

OTHER CONSIDERATIONS: n/a

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY: n/a

DEPARTMENTAL CLEARANCES:

- Facilities
- Financial Services
- Bond Counsel
- Legal Department

FINANCIAL IMPACT:

<input type="checkbox"/> Not Applicable	<input type="checkbox"/> Operating Expense	<input checked="" type="checkbox"/> Revenue	<input type="checkbox"/> CIP	
FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	\$ 2,000,000	-	\$ 2,000,000
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 2,000,000	-	\$ 2,000,000
BALANCE	-	-	-	-
FUND(S): CIP Fund				

COMMENTS: n/a

RECOMMENDATION:

Staff recommends approval of the resolution as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution